



INTEGRATING FOR IMPROVEMENT

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Most businesses exist to make money by managing risk and adding value. However, in meeting the needs of multiple stakeholders, organisations can also, inadvertently, create complexity and waste in how they operate. Quality professionals have long recognised the benefits of promoting integrated management to address these hazards and promoting the principles of process approach and customer focus to help ensure balance.

The 2015 revision of ISO 9001 introduced requirements for integration with business processes and the promotion of risk-based thinking. While both concepts were perhaps implicit in previous editions, becoming requirements gave quality managers the opportunity to elevate the purpose and benefits of management systems. It was also an opportunity to simplify the message – risk is why we have management systems and integration is how we make them work effectively and efficiently.

Many quality professionals now promote ‘risk’ to help both catalyse and focus management

review and emphasise ‘integration’ to help drive the approach to improvement. As a profession, we have moved beyond operational quality and are leading our organisations to establish ‘business’ or ‘company’ holistic management systems with no specific scope associated with individual standards. Many of us now believe that having anything other than an integrated management system to achieve this would be contradictory.

The CQI Integrated Management special interest

group (IMSIG) has previously published a detailed Management System Specification MSS1000 (2014) as a way of facilitating the creation of integrated management systems ‘without boundaries’ (bit.ly/3MPg84U). More recently, members of the committee have been focusing on how both risk and integration can help quality managers develop better management systems.

It starts with risk

What keeps you awake at night? What’s your gut feeling? What might happen? What could we do? All these questions activate our imaginations and, for better or worse, evoke an emotional response. We are naturally on guard and a certain level of readiness, and perhaps fear, makes us more attentive to evaluate threats and react more effectively to survive; luckily you don’t have to be a risk professional to do this.

While Deming rightly encouraged management to drive out fear in organisations, he also stated that survival is not mandatory – so we have to have an awareness of risk and a desire to survive. Our innate, powerful survival sensitivities help with this and trigger us to innovate and learn. This is what human beings are wired to do and are good at.

Perhaps what we’re not always so good at is listening and sharing. Being preoccupied with our individual challenges and worries means we don’t default to a state of collective responsibility. Organisational design creates interfaces and groups naturally form that reinforce thinking and perspectives. Quality managers are acutely aware of this and that businesses need support to manage systematically. To have an effective system, how can you not consider all stakeholders and meeting their expectations? This is where integration plays a role.

All hands - collective effort required

While we need to be aware of threats coming from any direction, this should not be at the expense of creating a level of bureaucracy that means governance becomes a constraint or we create a system of information overload – the dangers of tying yourself in knots. The reality or perception of red tape generally reflects a lack of understanding by either those designing or following a process.

Integrated management is essential for effective risk identification, definition, evaluation and mitigation in the same way that root



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cause analysis needs to consider the systemic factors contributing to failure. Neither activity can be achieved in isolation and no one individual, irrespective of knowledge or authority, can effectively make the necessary changes. It’s always a collective, integrated effort from people that is needed.

How have the ISO standards helped?

The ISO standards we are familiar with have taken time to evolve and catch up with the thinking and experiences of the quality profession. The reality is that most businesses are up and running long before they decide to implement a formal management system aligned with the requirements of specific ISO standards. The decision to implement a system is also generally driven by a need for certification, not as part of developing an operating model for the organisation.

While the ISO standards state the strategic nature of implementing a management system, the reality is the scope is often influenced by a compliance need at a certain point in time, and certain areas of control – commercial and financial teams in particular – may be overlooked, under-represented or deemed not appropriate to include. While Annex SL (2014) has been welcome in harmonising the structure of standards, it doesn’t tell you how or what to integrate. For a system to be effective and efficient, it must understand all its risks and integrate all its parts. But how to do this, while avoiding complexity?

Risk to integrity

Developing a management system is a risk in itself and a journey where lots of things can go wrong along the way, if we forget about the need to take a risk-based approach and to integrate – in other words to focus and simplify. We must create clarity, not complexity.

Creating a system is not about documenting what management does for the sake of it – the value is in bringing people together to collectively understand risk and to develop a consensus about the integrated management needed for effective and efficient delivery.

Anyone who runs process mapping and review workshops knows the value of bringing together cross-functional teams to do this. This should

become a habit and an ongoing conversation, and be responsive to the constant changes impacting the organisation and the integrity of its management system.

The identification, evaluation, treatment and review of risk should be continually challenging the integrity of the existing management system, as well as managing emerging risks. What evolves from this approach should be organisational confidence, a capability and culture delivering effective and efficient governance.

Where to start?

But integrate around what? What practical approaches can be adopted? Fundamental to integration is ensuring effective process overview, hierarchy and structure so that the core end-to-end operational processes are defined and visible, because fundamentally this is what the business does and must understand.

Quite often this is most effectively done with Kanban, process maps/gateways – some form of visualisation that establishes a consensus and gets everyone involved on the same page.

Visualising and simplifying how we collectively understand the business operates sets the foundations and a point of reference into which specific controls can then be integrated. This also establishes a point of reference for conversation when other changes and controls need to be considered – it helps us to maintain the integrity of the system.

System efficiencies are created not by simply



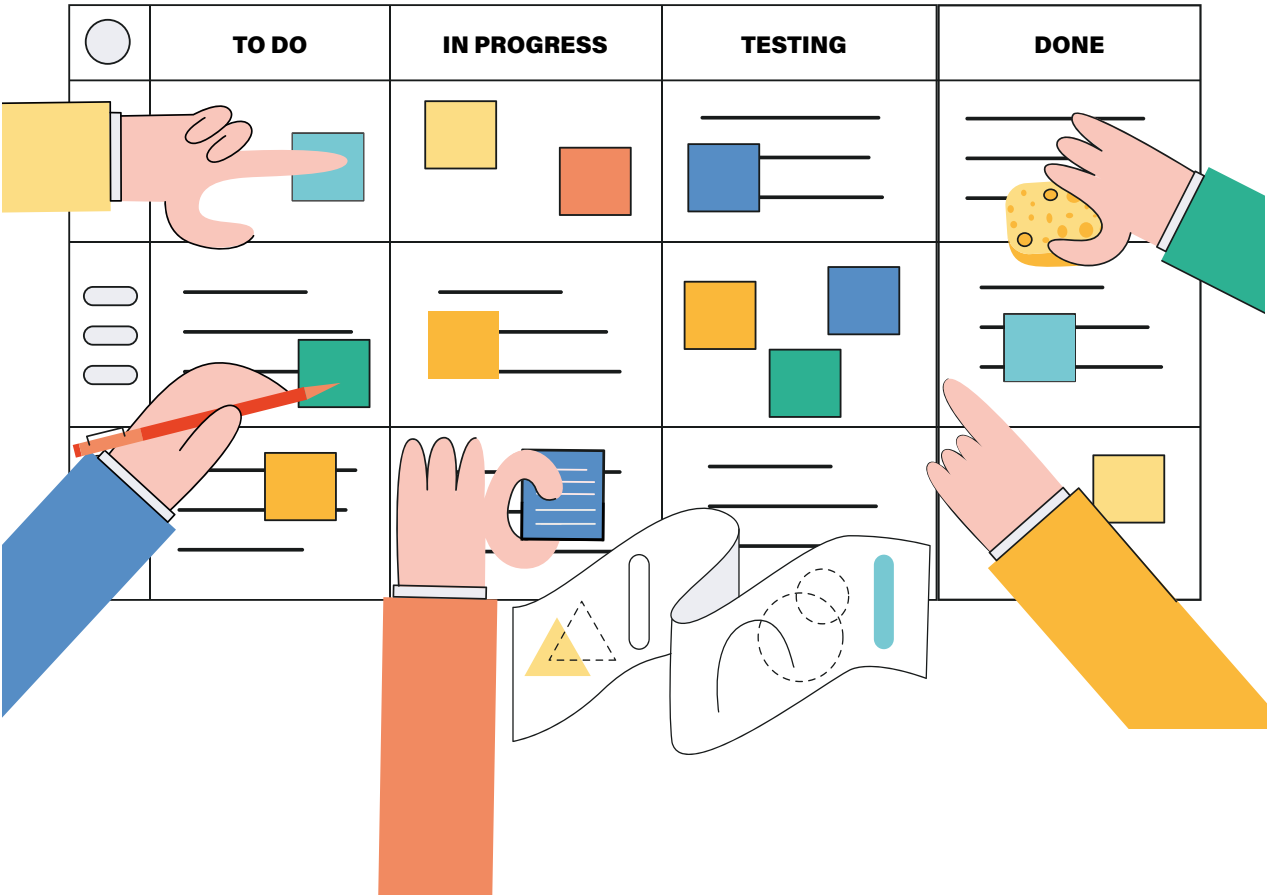
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controlling information on policy, process and procedure in the same place. Integration should establish consensus across functions and throughout management about the purpose and structure of the system. Ultimately, a focus on integration helps those running a business to better understand their organisation and how people work together. Management is able to better avoid assumptions and manage the dependencies, because an integrated system provides a more holistic approach.

Where does it end?

How we collectively design, come to understand and continue to develop a management system is critical to its effectiveness. Taking a risk-based view of governance is essential in focusing, simplifying and making systems efficient for those who work together to integrate and create value. How do we know if we have achieved integration effectively? Given change is constant, then there is never an end point. However, when we believe “the whole is greater than the sum of the parts” then we know synergies are being realised and we can be confident that we are sustaining an integrated approach. ■



What to do and what not to do

Not every organisation has a dedicated risk manager and the risk ‘hat’ might be another the quality manager has to wear, as well as another activity for them to integrate. Here are some tips:

Do

- Use risk as a conversation catalyst – what is management worried about and why?
- Upskill yourself on the basics of evaluating risk impact and likelihood, define an approach, and agree the organisational tolerance, or appetite, for risk.
- Show how an integrated approach through cross-functional conversation is needed to both understand and treat risk.
- Promote the connection between core business risks and effective governance to focus management review and leverage the value of your integrated management system (IMS).
- Use risk to promote awareness and integration of business continuity and disaster recovery planning into your IMS.

Don’t

- Don’t do risk management in a silo – the value comes from discussion and review, establishing a consensus, and integrating what’s effective.
- Don’t just focus on current strategic or project risks. What are your core business risks? Challenge the relevance and effectiveness of your existing management system ‘business as usual’ controls (policy, process, procedure) – what risks are they addressing?
- Don’t think integration is simply about a wider scope of management system – more effective and efficient ways of working together come from more holistic conversations and recognising synergies.
- Don’t overwhelm management with risks – effective evaluation should help to prioritise those outside appetite. Treat and monitor regularly, close risks when appropriate.

Getting started

- You don’t have to be a risk professional to make a start – understand the basic principles of risk identification, evaluation and treatment, and start testing and developing your understanding by doing.